

**ALABAMA TRUST FUND
REQUEST FOR PROPOSAL
FOR
CUSTODIAL SERVICES**

Release Date: September 1, 2012
Proposal Due Date: October 9, 2012

***BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION
ACT COMPLIANCE***

The Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§§31-13-1 et seq, Code of Alabama, 1975 as amended by Act 2012-491) regulates illegal immigration in the State of Alabama. All contracts with the State or a political subdivision thereof must comply with that law.

For the purposes of this RFP and any responding Proposal, the following sections of that law impose specific requirements: Section 9 (a) of the Act provides “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees, the business entity or employer shall not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.”

Section 9(b) of the Act requires “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees within the State of Alabama, the business entity or employer shall provide documentation establishing that the business entity or employer is enrolled in the E-Verify program.”

As provided in the Act a “business entity” is *any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit* and an “employer” is defined as *any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.*

A Proposal must include a statement that the Proposer has knowledge of this law and is in compliance with Section 9(a). Before a contract is signed, the Contractor awarded the contract must submit a Certificate of Compliance using the form provided with this RFP, Exhibit H, and documentation establishing enrollment in the E-Verify Program operated by the United State Department of Homeland Security in the form of the Memorandum of Understanding which USHLS issues upon enrollment. E-Verify enrollment can be accomplished at the website of the United States Department of Homeland Security at <http://www.uscis.gov>.

See Section 7 for additional language required by Section 9(k) of the Act to be included in the contract.

1. Overview.

The Alabama Trust Fund (“ATF”) was created by Amendment 450 to the Alabama Constitution and ratified in 1985. The ATF was established as an investment vehicle for the management of oil and gas capital payments generated from drilling activity in Alabama’s offshore waters. The Board of Trustees of the ATF Board (“the Board”) solicits proposals from qualified professional firms to provide custodial services to the ATF.

As of July 2012, ATF invested assets totaled approximately \$2.3 billion. The portfolio is managed by sixteen professional managers investing the assets among the classes of core, core plus, domestic equities, global equities and real estate, plus two international equity mutual funds. Additional asset classes may be considered in the future. Securities lending is currently managed on the portfolio by the custodian. The cash flows in and out of the trust fund are described in the Investment Guidelines and Policy, Exhibit E.

The Board is also responsible for the management of the County Municipal Government Capital Improvement Trust Fund (“CMGCITF”). As of March 2012, the balance in this fund was approximately \$417 million and is currently invested by one fixed income manager. The selected custodian will also serve this fund.

This Request for Proposals (“RFP”) is issued in accordance with the requirements of Section 41-16-72(4), Code of Alabama (1975). This RFP is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for negotiation of a contract or agreement.

2. RFP Objectives.

While specific requirements are provided within the respective service sections of this document, the Board’s overall objectives for this RFP are to:

1. Select a firm which offers efficient and effective services, including those customarily provided by a custodian, cash management, securities lending, related services and product solutions that will support the Board’s current and future custodial and securities lending needs.
2. Establish optimal pricing for the custodial services defined within this RFP.
3. Utilize custodial services which will improve efficiency, effectiveness, security and enhance control.

3. Minimum Qualifications.

Include Exhibit D in the proposal as documented proof that the minimum qualifications listed below are met. The vendor has a continuing obligation to disclose information throughout the RFP process should any qualifications or situations change that might render the vendor as an unqualified candidate.

- (a) The Custodian will comply with all state regulations to conduct business in the State of Alabama, and will register with the Secretary of State if applicable. For more information, visit the Secretary of State website at www.sos.state.al.us/ and click Business Services/Corporations.
- (b) The Custodian has been providing custodial services similar to those described in this RFP for at least ten (10) years.
- (c) The Custodian currently provides custodial services for accounts with total assets having a market value of at least \$1 billion, including all asset classes.

- (d) The account manager proposed for this account has a minimum of five (5) years' experience administering custodial accounts of similar size as the ATF.
- (e) The Custodian and its personnel have all authorizations, permits, licenses, and certifications as may be required under Federal, State or local law to perform the services specified in this RFP at the time it submits the response.
- (f) The Custodian has in force errors and omissions insurance issued by an insurance company acceptable to the Board, in an amount acceptable to the Board, to cover negligent acts or omissions.
- (g) The Custodian maintains sufficient procedures and redundancy capabilities to assure continued processing of the Board's business in an emergency.
- (h) The Custodian has a company policy and practice of equal employment opportunity and non-discrimination based on race, creed or gender.
- (i) The Custodian will comply with *The Beason-Hammon Alabama Taxpayer and Citizen Protection Act*.

4. Proposal Required Information.

Responses to this RFP must include:

(1) a brief transmittal letter which must include a statement that the Proposer has read this RFP and accepts the terms and conditions set out herein and that the Proposer is aware of the requirements of the Beason-Hammon Alabama Taxpayer and Citizen Protection Act and will comply with that law.

(2) Exhibit A, Qualifications and Experience;

(3) Exhibit B, Services;

(4) Exhibit C, Statement of Charges;

(5) Exhibit D, Minimum Qualifications;

(6) Exhibit H, Certificate of Compliance

(7) Other documents:

- A sample of contracts and all other standardized forms which you propose to be used for this transaction, and
- List of third-party service providers with whom ATF would be required to contract in order to fully utilize the services you represent to be available under your contract; and
- List of software licenses or agreements that ATF would be required to procure in order to fully utilize your services.

(8) Disclosure Statement. All proposals submitted in response to this RFP must include one original Disclosure Statement as required by Section 41-16-82, et seq., Code of Alabama (1975). Copies of the Disclosure Statement, and information, may be downloaded from the State of Alabama Attorney General's web site at www.ago.alabama.gov/publications.cfm.

5. Submission of Proposals.

Issuing Office. The State Treasurer serves as Secretary to the Board and, in this capacity, is issuing the RFP on behalf of the Board.

Office of State Treasurer Young Boozer
Alabama State Capitol
600 Dexter Avenue, Suite S106
Montgomery, Alabama 36104

Phone: 334-242-7501

Submission Deadline. It is the responsibility of the Custodian to ensure that its proposal is timely delivered and received in the Treasurer's Office on or before 5:00 p.m. on October 9, 2012. Provide one original proposal response plus four additional copies to facilitate the response evaluation process. Email an electronic copy of the response to alatreas@treasury.alabama.gov for retention purposes.

The Board will not consider proposals received after the date and time specified herein. The Board assumes no responsibility for late delivery by the U.S. Mail, the State's Central Mail Facility, a commercial courier service, or any other method of delivery selected by the respondent. The response may be emailed by the submission deadline with the paper documents delivered within two business days.

Questions and Inquiries. The sole point of contact for purposes of this RFP is Cory Rambo. Any questions or inquiries should be emailed to cory.rambo@treasury.alabama.gov by September 28, 2012 in order to assure a timely response. Any oral communications shall be considered unofficial and nonbinding on the State.

Rejection of all Proposals. The Board reserves the right to reject any or all proposals and/or to solicit additional proposals if that is determined to be fiscally advantageous to the ATF or otherwise in its best interests.

6. Evaluation and Selection.

After the review and evaluation of the proposals, the Board or Board Committee may conduct interviews. Finalists chosen for interviews will be notified. The Board will select the Custodian the Board determines, in its sole discretion, to be fully qualified and best suited among those submitting proposals to meet the needs of ATF in a cost effective manner.

The RFP shall be posted on the State Treasurer's website www.treasury.alabama.gov.

7. Agreement.

All duties of the Custodian shall be set forth in a contract between the Custodian and the Board. The term of the contract will be a three-year term with two one-year extensions at the option of ATF. The contract will incorporate by reference the requirements of the RFP and the vendor's proposal as negotiated.

In compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§31-13-9(k), Code of Alabama, 1975, as amended), the contract will include the following language:

"By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom."

You are charged with knowledge that there are certain terms standard to most commercial contracts in private sector use which the ATF is prevented by law and policy from accepting. These include (1) indemnification and hold harmless of the vendor or third parties, (2) consent to choice of law and venue other than the State of Alabama, (3) methods of dispute resolution other than negotiation and non-binding mediation, (4) waivers of subrogation and other rights against third parties and (5) some provisions limiting damages to the cost of goods or services;

8. Method of Payment.

The Custodian shall be entitled to receive quarterly compensation, which will be paid in arrears. See Exhibit C, Statement of Charges, for additional information.

9. Efforts to Influence Selection Process Prohibited

The integrity of the RFP process is of primary importance and will not be compromised. Any written or oral communications beyond the RFP response made by responders, or others on their behalf, whether paid or unpaid, to influence the selection process, from the time the RFP is issued through its conclusion, made directly or indirectly to ATF Board members, Alabama Governor's staff, Alabama Department of Finance staff, Alabama State Treasury staff, or Board member's staff will be grounds for immediate elimination from the selection process.

10. Public Information.

All responses received and subsequent communications, contracts, reports and other records developed during the course of the relationship, except as may specifically be exempted, will be subject to the Alabama Open Records Act, §36-12-40, Code of Alabama and may be subject to public disclosure upon request. The Open Records Act is remedial and should therefore be liberally construed in favor of the public. The Alabama Trade Secrets Act is §8-27-1 through §8-27-6, Code of Alabama. Responders are cautioned to be familiar with these statutes. The burden is on the one asserting the trade secret to show that the information sought to be protected meets the definition of a Trade Secret as defined in the Act.

11. Confidential Information.

Any RFP response submitted that contains information which the Proposer considers to be confidential, trade secrets or proprietary commercial information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as such. Identification of the entire proposal as confidential is not acceptable unless the Firm enumerates the specific grounds or applicable laws, which support treatment of the entire material as, protected from disclosure according to the foregoing statutes or other applicable Alabama law.

The owner of the confidential information shall indemnify and hold the State of Alabama, the ATF Board, and staff harmless from all costs or expenses, including but not limited to attorney fees and expenses related to litigation concerning disclosure of said information and documents.

Exhibit A

Qualifications and Experience

Part I. Organization

- A. Provide an overview of your firm, including corporate profile, firm experience, quality control procedures, ownership structure, financial condition, and overall business objectives.
- B. Provide a listing of all vendors or subcontractors your firm will partner with to provide services to the ATF.
- C. Provide a listing of all “related” or “affiliated” firms.
- D. Provide details of any claims, disputes, litigations, SEC or State regulatory actions, or other legal proceedings relating to your firm or individual personnel in the three preceding years.
- E. Provide details of any claims, disputes, litigations or other legal proceedings where your firm is involved with the State of Alabama or any of its agencies, or has been involved, in the three preceding years.
- F. Provide information on SEC fidelity bonds, errors and omissions coverage, and any other fiduciary insurance, which your firm carries.
- G. Describe your external audit processes of your custodian system. Has the firm ever received a qualified opinion? If so, please provide detail. Is a SAS 70 audit performed annually?

Part II. Personnel

- A. Provide biographies of the person/persons/or team members who will be assigned to this account.
- B. If any professional or support services will be provided by persons located outside the United States of America, describe those services, state the location where they will be provided and describe in detail the qualifications required for those service providers. The State may require additional information on this issue.

Part III. Account Management

- A. Provide a breakdown of Custodial Separate Accounts as of December 31, 2011.

| Size of Account | Domestic \$ | Domestic # | International \$ | Intl. # | Real Estate \$ | Real Estate # |
|-----------------------------|----------------|---------------|---------------------|------------|----------------------|------------------|
| Under \$500 million | | | | | | |
| \$500 million - \$2 billion | | | | | | |
| \$2 billion - \$3 billion | | | | | | |
| Over -\$3 Billion | | | | | | |

- B. Provide the following information on at least five clients (including contact persons for whom similar services as described in this RFP are provided):
 - a. Company
 - b. Address
 - c. Contact
 - d. Telephone Number

- e. Length of Relationship in Year
- f. Services Provided

Exhibit B

Services

A summary of the current portfolio is attached in Exhibit G for your reference in pricing and reporting services.

Part I. Reporting/Pricing/Online System

- A. Provide a brief description of your reporting system, including a sample listing of standard reports. Does the system allow the user to create reports? Attach a sample of the monthly trade date statement.
- B. Describe your consolidated and individual manager reports.
- C. Is there an audit process prior to monthly reports being released? Describe the process. Are reports reconciled with investment managers? Describe the process.
- D. What date are reports made available following the end of the month? Is this timeframe negotiable?
- E. Describe your options for amortization and accretion accounting. Does your system have the capability to not accrete and amortize?
- F. ATF requires several customized reports that will need the assistance of the custodian to prepare. If RFP results in a selection of new custodian, a transition is likely to occur at a time other than year end. Will custodian be able to process full year reports, including the number of holdings and market value of those holdings at the previous year end? Explain your capabilities to assist with customized reporting, and any associated cost if applicable. Example reports are included in Exhibit F.
- G. ATF withdraws income once a month. What is your process for collecting and investing income between monthly withdrawals?
- H. Describe the monthly process for pricing and rating securities, including thinly traded or illiquid securities. What pricing services do you use, and in what order? If no price is available, what price is included on the report? What assurances does ATF receive that the pricing and rating are reasonable?
- I. Describe the online system and its capabilities to the ATF user.

Part II. Cash Management

- A. Summarize the products available for the investment of cash balances that meet the following guidelines: a commingled short-term investment fund managed by the custodian consistent with OCC Reg 9 and/or SEC Rule 2a-7, securities issued by the U.S. Government and its agencies, certificates of deposits, repurchase agreements, and commercial paper rate A-1 by Standard & Poor's and P-1 Moody's (or equivalent).
- B. Monthly income is not available for reinvestment by the ATF managers. Describe the process and timeframe to wire transfer the income monthly.

Part III. Safekeeping and Securities Delivery

- A. Describe the communication between the custodian and investment managers.
- B. Describe your securities settlement and clearance procedures. Include an explanation of your relationship with DTC, PTC, FBE and any other depositories and your participation in their services and processes.
- C. Describe the frequency and causes of failed trades during the past year. Explain procedures for delayed and failed trades. Is any compensation provided?

Part IV. International/Global Custody

- A. Describe your expertise in global custody services.
- B. For each country that you provide custody services, list your custodial agent bank and the year that the current relationship was initiated.
- C. Do you subcontract global custody to another provider? Please describe your selection criteria. How many countries do you provide a sub custody network?
- D. Do you use central depository facilities outside of the U.S.? Explain the process with international clearing.
- E. Describe your tax reclaim process.

Part V. Securities Lending

- A. List the number of accounts involved in your securities lending program, size and makeup of your portfolio.
- B. Describe your policies, procedures and internal controls related to your securities lending program, including your review of borrowers' credentials.
- C. Describe any indemnification you offer. Have you ever experienced a default in your securities lending program? If so, describe.
- D. Have you incurred any losses since the inception of your securities lending program (i.e. operational negligence, broker default, collateral reinvestment, etc.)?
- E. Describe your method of loan allocation among participating accounts.
- F. Provide a brief description of cash collateral reinvestment vehicles (Repo, STIF, commingled, separate, etc.) utilized in the reinvestment of cash collateral applicable to the ATF.
- G. Clearly state the gating and redemption procedures your firm instituted, enhanced or codified regarding client's rights regarding securities lending exit or withdrawal from the program.
- H. What communication policy is provided with the client to inform of downgrade of securities, illiquid collateral flows, and similar instances?

Part VI. Miscellaneous

- A. If you are awarded the contract, what is the expected timeframe for the transition to be complete and balanced? Describe the process for receiving new custody assets.
- B. Do you provide transition management services? If so, describe.
- C. Do you assist and provide guidance on the proper and generally accepted accounting principles for certain investment types?
- D. Describe any other services that you provide that may be of interest to ATF. Include pricing.

EXHIBIT C

STATEMENT OF CHARGES

All charges must be included and the final quote must be initially submitted. Any charge for services not addressed in the Statement of Charges in your proposal will not be allowed during the course of the contract. There will be no out-of-pocket expenses reimbursed that have not be preapproved by ATF.

A. Option I: Custody Charge (All inclusive Fee):

Currently, the ATF receives an all inclusive fee for custody service. Please provide a quote in this manner.

| Account Type | Annual Fee | Quarterly Fee |
|-------------------|------------|---------------|
| All inclusive fee | | |

B. Option II: Alternative Method of Custody Charge:

Provide a detail listing on an alternative method of charges.

C. Securities Lending:

(a) Provide the Securities Lending Income Split: _____% _____%
ATF Custodian

(b) Provide the method of computation for the rebate percentages returned to the borrowers of the ATF securities.

D. Other

EXHIBIT D
MINIMUM QUALIFICATIONS

- A. My company will comply with all state regulations to conduct business in the State of Alabama, and will register with the Secretary of State, if applicable.

Yes No

- B. My company has been providing custodial services similar to those described in this RFP for at least ten (10) years.

Yes No

- C. My company currently provides custodial services for accounts with total assets having a market value of at least \$1 billion, including all asset classes.

Yes No

- D. The account manager proposed for this account has a minimum of five (5) years' experience administering custodial accounts of similar size as the ATF.

Yes No

- E. My company and its personnel have all authorizations, permits, licenses, and certifications as may be required under Federal, State or local law to perform the services specified in this RFP at the time it submits a response to the RFP.

Yes No

- F. My company carries errors and omissions insurance or a comparable instrument, in an amount acceptable to the Board, to cover the firm's negligent acts or omissions.

Yes No

- G. My company maintains sufficient procedures and redundancy capabilities to assure continued processing in an emergency.

Yes No

- H. My company has a company policy and practice of equal employment opportunity and non-discrimination based on race, creed or gender.

Yes No

- I. My company will comply with State of Alabama Beason-Hammon Alabama Taxpayer and Citizen Protection Act regarding immigration.

Yes No

EXHIBIT E

Alabama Trust Fund Investment Policy Statement

Section 1.

Constitutional Authority (1) Amendment No.450 to the Constitution of the State of Alabama of 1901 created “an irrevocable, permanent trust fund named 'the Alabama trust fund'” to be funded and administered in accordance with the provisions of amendment 450.

(2) The Board of Trustees, as created in section 3(a) of Amendment 450, is responsible for establishing investment objectives and policies and responsible for their implementation. The board oversees investment activities, monitors investment performance, and insures the prudent control of the investment of funds for the Alabama Trust Fund.

Section 2.

Investment Responsibility

(1) Section 5 (b) of Amendment 450 states that “in making any investment of moneys held in the trust fund, the board shall exercise the judgment and care, under the circumstances prevailing at the time of such investment, which an institutional investor of the highest standard of prudence, intelligence and financial expertise would exercise in the management and investment of large assets entrusted to it not for the purpose of speculative profit but for the permanent generation and disposition of funds, considering the probable safety of capital as well as the expected amount and frequency of income.”

Section 3.

Investment Policy

(1) Section 5 (b) of Amendment 450 states that “to the extent practicable, the board shall keep all moneys at any time held in the trust fund invested in such eligible investments as shall, in its sole and uncontrolled judgment, produce the greatest trust income over the term of such investments while preserving the trust capital.

(2) Under Amendment 666 of the Alabama Constitution of 1901, within 30 days following the end of each fiscal year, the Board of Trustees may transfer as income up to 75% of the realized and unrealized capital gains attributable to equities.

Section 4.

Investment Objectives

(1) Short Term Objective- The current objective of the Alabama Trust Fund is to consistently generate more than 100 million in annual income and distributable gains.

(2) Long Term Objective- The long-term objective of the fund is two-fold. First, to preserve the real value of its cash flow, and second, to provide a means through undistributed capital gains to increase the corpus of the trust in anticipation of decreasing oil and gas royalty payments.

Section 5.
Asset Allocation

(1) The board shall allocate trust assets in a manner that protects the trust capital while achieving its operational goals stated in this investment policy document. A growth portfolio of equities and other financial instruments should be maintained to augment fixed income investments that are needed to satisfy the stated objectives and to protect the fund from inflationary erosion.

(2) The investment portfolio shall be diversified both by asset class and within asset classes, by economic sector and industry. The purpose of diversification is to reduce the specific risk associated with any single security or class of securities.

Section 6.
Asset Range

(1) The market value of investments in various assets shall generally remain within the following ranges:

| | |
|--------------------|------------------------|
| Fixed Income: | Percent of Total Fund: |
| Core | 31.5% +/- 5% |
| Core Plus | 31.5% +/-5% |
| Equity: | |
| Large Cap | 19% +/- 3% |
| Domestic Small Cap | 4% |
| International | 9% |
| Alternatives: | |
| Real Estate | 5% +/-3% |

Section 7.
Eligible Investments

Unless restricted elsewhere in the guidelines, eligible investments shall consist of all types of securities contained in the following indices: Barclays Capital Aggregate Bond Index, Merrill Lynch High Yield Cash Pay Index, Wilshire 5000 Index, MSCI EAFE Index, MSCI All-Country World Index, MSCI World Index Small Cap, and the MSCI Emerging Markets Free Index.

In addition to the Barclays Aggregate index listed above, core fixed income managers may invest in securities outside the index as long as their addition does not significantly change the risk profile of the manager's portfolio as a whole. Potential investments may include, but are not limited to, TIPs, CMOs, ARMs, Hybrid ARMs, and Munis.

Section 8.
Domestic Equity
Investment Criteria

All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all state and federal statutes governing the investment of trust funds. Subject to these guidelines, managers shall have full discretion.

(1) Shares may be purchased in domestic stocks listed on the New York or American Stock Exchange or in over-the-counter stocks approved by the Federal Reserve System for margin. ADRs listed on the NYSE are permitted investments for managers whether or not they have a foreign or global mandate.

(2) Other forms of equity investments such as direct investments are allowed subject to state law and with prior approval of the full board.

(3) The aggregate investment of the Alabama Trust Fund in the equity securities of any one issuing corporation shall not exceed 1% of the outstanding capital of such corporation. External managers shall notify the board at least annually if the manager's

total position in one corporation exceeds 5% of the outstanding capital of such corporation.

(4) Portfolios are to remain fully invested. Managers' cash positions are not generally to exceed 5%. It is the responsibility of the manager to contact the Board to obtain authorization if and when it becomes clear that a cash position of more than 5% is warranted for more than 90 days.

(5) The portfolio as a whole should be managed keeping in mind the original mandate under which the manager was hired. No extreme position should be taken which would alter the character of the portfolio that could produce results inconsistent with that mandate.

Section 9.
International Equity
Investment Criteria

All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all State and Federal statutes governing the investment of trust funds. Subject to these guidelines, managers shall have full discretion.

(1) Equity holdings shall be restricted to readily marketable securities of corporations that are domiciled in countries outside the United States or generate most of their revenues outside the United States. The securities shall be actively traded on major exchanges in these countries or in the U.S. Equity holdings may include American Depositary Receipts traded on U.S. exchanges. Convertible preferred stocks may be held. Exposure to Emerging Markets securities in developed market portfolios shall be limited to 20% of the market value of the portfolio. Exposure to Frontier Markets securities in Emerging Market portfolios shall be limited to 10% of the market value of the portfolio.

(2) Investments should not be made in equity securities of issuers which do not have an available operating history of at least three years. Five years of operating history is preferred. Operating history may include past performance resulting from mergers, acquisitions, and spin-offs.

(3) Equity investments in companies with a market capitalization of less than \$100 million at the time of purchase are prohibited investments. Market Capitalization shall be defined as the number of shares outstanding multiplied by the market price per share.

(4) Not more than 5% of the total stock portfolio may be invested in the common stock of any one corporation at the time of purchase and no more than 7% in any one corporation at market. Not more than 5% of the outstanding shares of any one company may be held by the portfolio. No more than the lesser of (2 times the sector weight in the index and 40%) valued at market may be held in any one economic sector as defined by MSCI EAFE classifications for developed market portfolios and by MSCI Emerging Markets Free classifications for emerging markets portfolios.

(5) Futures and options may be used as a substitute for equity securities provided that they are 100% collateralized by highly liquid securities and do not represent leveraging of the assets. Futures and options may also be used to reduce the effect of currency fluctuations on the returns to the fund.

(6) Investments in stock index futures and exchange traded funds are permitted for the purpose of equitizing cash.

(7) The portfolio as a whole should be managed keeping in mind the original mandate under which the manager was hired. No extreme position should be taken which would alter the character of the portfolio that could produce results inconsistent with that mandate.

**Section 10.
Investment Grade
Fixed Income
Investment Criteria**

All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all State and Federal statutes governing the investment of trust funds. Subject to these guidelines, managers shall have full discretion.

(1) At the time of purchase all securities purchased for the Fund must be classified as investment grade by two of the three major rating services. For this purpose the rating must be at least “Baa3” by Moody’s, “BBB-” by Standard and Poors and “BBB-” by Fitch ratings, or an equivalent short term rating. If only one rating exists, this one rating will determine investment grade status.

(2) The fixed income portfolio is to be diversified so that no more than 15% is invested in one industry (does not apply to US Government and Agency securities).

(3) The board may permit managers to purchase other securities. Such authority will be provided in writing to the manager.

(4) No more than a maximum of 5% of the total fixed income portfolio may be invested in securities of any one corporation.

(5) Unrated securities other than those issued by the US government or its Agencies may not be purchased without the prior consent of the board. Approved exceptions are 144A Privates (non-registered debt issued by corporations) when such companies registered debt carries an investment grade rating by either Moody’s, Standard & Poor’s, or Fitch.

(6) The portfolio’s average duration is not to exceed 1.5 times that of the benchmark index.

(7) Non-dollar fixed income securities are not permitted.

(8) Derivative instruments, including futures contracts, option contracts and swap agreements may be used provided that they are 100% collateralized by highly liquid securities and do not represent leveraging of the assets.

(9) The portfolio as a whole should be managed keeping in mind the original mandate under which the manager was hired. No extreme position should be taken which would alter the character of the portfolio that could produce results inconsistent with that mandate.

**Section 11.
Core Plus
Fixed Income
Investment Criteria**

All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all State and Federal statutes governing the investment of trust funds. Subject to these guidelines, managers shall have full discretion.

(1) The portfolio must have an overall weighted average credit rating of not more than 3 rating notches below the benchmark’s weighted average credit quality. For avoidance of doubt, if the benchmark is rated AA-, then 3 notches below would be A-.

(2) All investments are to be rated at least B- by Standard and Poors, B3 by Moody’s, or B- by Fitch at the time of purchase. A maximum 5% of the market value of the portfolio may be held in securities rated below CCC by Standard and Poors or Fitch or Caa1 by Moody’s. If each of the three credit rating agencies assigns a credit rating, the credit rating will be the middle of the three ratings (for example, if Moody’s rates a security Baa2, S&P rates the security BB+ and Fitch rates the security BBB-, the middle credit rating would be considered BBB- by Fitch). If only two of the three credit rating agencies assign a credit rating, the credit rating will be the lower of the two. If

only one credit rating agency assigns a credit rating, that credit rating will apply. Securities that are not rated will be permitted if, in the judgment of the investment adviser, they are of credit quality equal or superior to the standards described above.

(3) The fixed income portfolio is to be diversified so that no more than 15% is invested in one industry (does not apply to US Government and Agency securities).

(4) The board may permit managers to purchase other securities. Such authority will be provided in writing to the manager.

(5) No more than a maximum of 5% of the total fixed income portfolio may be invested in securities of any one corporation.

(6) Securities issued under Rule 144A (non-registered debt issued by corporations) are limited to 20% of the market value of the portfolio. Private placements securities that are not issued under Rule 144A securities are limited to 5% of the market value of the portfolio (not including pooled funds).

(7) The portfolio's average duration is not to exceed 1.5 times that of the benchmark index.

(8) Investments in high yield bonds, Non-US dollar denominated bonds, emerging markets debt, bank loans and currencies are permitted. The total allocation to these non-benchmark sectors shall not exceed 30% of the market value of the portfolio. Emerging markets issuers that are part of the Barclays Capital Aggregate Index would not count towards the 30% limit.

(9) Derivative instruments, including futures contracts, option contracts and swap agreements may be used provided that they are 100% collateralized by highly liquid securities and do not represent leveraging of the assets.

(10) The portfolio will not invest in:

- Common Stock

(11) The investment adviser will not:

- borrow money;
- pledge, hypothecate, mortgage or encumber assets;
- loan money;
- purchase or sell real estate;
- purchase or sell commodity options

(12) The portfolio as a whole should be managed keeping in mind the original mandate under which the manager was hired. No extreme position should be taken which would alter the character of the portfolio that could produce results inconsistent with that mandate.

Section 12

Real Estate

To further diversify plan assets and increase return opportunities, the Board has established a target allocation of 5% to core open-end pooled equity real estate funds and closed-end value-added real estate funds. Investments in the real estate equity shall be well diversified by property type, size and age. Each real estate investment manager shall be well diversified geographically within its area of expertise, i.e., nationally or regionally.

Leverage may be used in a constrained manner in order to enhance yields in various investments and/or to facilitate the diversification of the portfolio. For core open-end real estate funds, the total level of debt for the overall portfolio will be limited to thirty-five percent (35%).

Section 13.**Alternative Investments**

In implementing the asset allocation policies referred to in Section 5, the Fund may use a number of different strategies designed to invest the assets of the plan in a more efficient manner. The goal of any alternative strategy is to increase the overall investment return and/or reduce the overall volatility in a manner consistent with the goals of the Fund. These alternative strategies would not typically be part of the domestic equity or fixed income composites because of their credit rating, illiquidity, concentration, complexity, short track record and other unique characteristics.

Section 14.**Cash Investment Criteria**

To the extent that the portfolio holds cash, the cash is allowed to be invested in: the commingled short-term investment fund managed by the custodian consistent with OCC Reg 9 and/or SEC Rule 2a-7, securities issued by the U.S. Government and its agencies, certificates of deposit, repurchase agreements, and commercial paper rated A-1 by Standard & Poor's and P-1 by Moody's (or equivalent).

Section 15.**Investment Performance
And Risk Standards:
Fixed Income**

(1) Investment managers with actively managed fixed income mandates will be expected to produce a cumulative annualized total return net of fees that exceed their designated performance benchmarks.

(2) All managers will be provided performance benchmarks and a statement of objectives at the time of their hiring.

(3) Managers will be evaluated over a complete market cycle.

Section 16.**Investment Performance
And Risk Standards:
Equities**

(1) Investment managers of equities will be expected to achieve cumulative annualized total returns net of fees that exceed their designated performance benchmarks.

(2) All managers will be provided performance benchmarks and a statement of objectives at the time of their hiring.

(3) Managers will be evaluated over a complete market cycle.

Section 17.**Prohibited Transactions**

(1) The following are prohibited transactions:

- (a) Short Sales; however, sales of currency contracts are permitted as noted above.
- (b) Margin purchases.
- (c) Restricted or letter stock.
- (d) Commodities.
- (e) Currency trading unrelated to hedging of permitted equity or fixed income securities.
- (f) Securities of the asset manager, the custodian, their parent, or subsidiaries (other than money market funds).
- (g) Derivatives (other than those permitted above).
- (h) Real estate investments other than REITS, except for real estate managers.
- (i) Oil, gas & mineral exploration investment trusts.

(2) The board may at any time prohibit certain investments because of concerns relating to social responsibility issues.

Section 18.

Trading and Directing (1) The board reserves the right to pay outside consultants by fee, or by **Brokerage** instructing investment managers to direct brokerage to consultants to obtain independent performance analysis or other services.

(2) The board may direct its external investment managers to cooperate in the recapture of certain trading commissions, or to direct these trades for the purpose of obtaining appropriate 3rd party investment services.

(3) The board may prohibit managers from benefiting directly or indirectly from Alabama Trust Fund trading commissions. All soft dollar arrangements and other forms of compensation will be disclosed.

Section 19.**Securities Lending**

(1) Securities lending is permitted as an opportunity to earn additional income for the Alabama Trust Fund. Bank custodians and third party agent lenders may be retained.

(2) The board shall design and issue requests for proposal to hire securities lending managers following a thorough evaluation of the current and long term needs of the trust.

(3) The board shall review securities lending managers account activity quarterly with an annual review.

Section 20.**Investment Managers**

(1) Pursuant to Amendment 666 of the Alabama Constitution of 1901, “ the Secretary-Treasurer of the Retirement Systems of Alabama shall be the initial manager of 50 percent of the assets, and financial institutions and other corporate entities with general trust powers shall be the initial manager or managers of 50 percent of the assets in the Alabama Trust Fund.”

(2) All investment managers' assets allocation and strategies will be subject to the guidelines contained herein.

(3) Investment managers employed by the Trust will be selected through a thorough review process, which will include all or some of the following steps:

- Formulation of specific manager search criteria that established the qualifications for the manager's role.
- Identification of qualified candidates from Board members or the manager search database maintained by the Trust's investment consultant.
- Complete due diligence on each candidate that will include performance screening, qualitative screening, or onsite visits.
- Selection and interview of finalist candidates based on final results of the due diligence process.

(4) The board shall review each manager on an annual basis. The evaluation shall be based on the stated investment performance and risk guidelines appropriate to that manager. In addition, the board shall make evaluations based on other criteria such as organization and portfolio manager changes.

(5) Performance measurement for each manager will be reported to the board on a quarterly basis and combined annually in accordance with industry standards. Investment managers may be required to meet personally with the board to review performance or other issues.

(6) Watch List - A number of factors may contribute to a manager's over- or under-performance at any given time - market dynamics, investment skill, and/or pure chance. Given this uncertainty, it is unwise to mandate termination purely for lagging performance at any specific point. A watch list will be utilized to identify managers whose performance and/ or organization changes are cause for concern.

At the discretion of the Board, a manager may be included on the watch list based on qualitative factors and/or quantitative factors. Examples of qualitative factors include concerns regarding personnel, organizational changes, and ethical, legal or regulatory issues. Examples of quantitative factors are lagging performance or indicators that the investment mandate is not being implemented. When a manager is placed on the watch list, the Board will specify the reasons for its decision. An update on each manager as well as recommendation from Staff and Consultant to terminate or retain the manager must be made to the Board at each subsequent meeting after inclusion on the watch list. After the Board places a manager on watch, it will, typically within one year, either conclude that the issue(s) have been resolved, or terminate the manager. Organizational issues that have been resolved in a satisfactory manner and improved performance relative to an index and or peers will be used as an indicator to remove a given manager from the watch list.

(7) Pursuant to Amendment 666 of the Alabama Constitution of 1901 the board of trustees shall have the power to appoint another person or persons to manage all or any portion of the assets in the Alabama Trust Fund upon a two-thirds vote of the board.

Section 21. Exceptions

Each investment manager is required to comply with the objectives and guidelines set forth in this document. The board requires that any exceptions taken to this Investment Policy Statement be submitted in writing pending approval by the board. The board must explicitly authorize each exception in writing. Failure to notify the board and obtain written authorization will result in the investment manager being liable for any corresponding loss to the Trust's investment funds.

Pooled/Mutual Fund Exceptions

In the case of a commingled account or mutual fund, the Fund waives strict adherence to the previous investment guidelines. Notwithstanding these policies, a pooled/mutual fund's investment objectives, policies and restrictions, as set forth in its current prospectus and statement of additional information (as amended from time to time), shall govern the investment of the Fund's assets.

Section 22. Cash Contributions and Redemptions

Cash-In-Flows

Monthly Royalties: Oil and gas royalties are received monthly and deposited into the Alabama Trust Fund. These monies are distributed, pro-rata as determined by the Board, to the investment managers. Royalties are normally received no later than the 15th of each month and transferred to the investment manager within two (2) to three (3) working days.

No royalties are distributed to the investments in August and September. These monies are withheld to fund the annual distribution on October 1 to The Alabama Capital Improvement Trust Fund and The County and Municipal Governmental Capital Improvement Trust Fund (Amendment 666). The Amendment provides that 35% of royalties received will be distributed to the two trust funds.

Income Earned: Income earned (net income collected) from the investments is distributed to the State General Fund each month and is not available for reinvestments by the managers. On or about the 5th business day of each month, the custodian transfers income from the manager's account to the Alabama Trust Fund.

Asset Re-Allocation: Changes in asset allocation and/or manager fund occurs from time to time. Managers will be notified by the custodian with as much advance notice as possible.

Cash-Out-Flows

Annual Royalties Distribution: Amendment 666 requires 35% of oil and gas royalties to be redistributed each year from The Alabama Trust Fund to The County and Municipal Government Trust Fund and The Alabama Capital Improvement Trust Fund. This distribution is made annually on October 1, and is funded by August and September royalties with the balance taken on a pro rata basis from manager accounts. Managers will be notified in mid-September of their share of this funding requirement.

Unrealized/Realized Capital Gains: Amendment 666 allows for the transfer of up to 75% of the realized and unrealized capital gains on equity sales of investments. The Board will determine the amount of this transfer annually in October. The custodian will provide notification to the investment managers at least five (5) business days prior to withdrawal by the Alabama Trust Fund custodian.

EXHIBIT F

Alabama Trust Fund Asset Categorization Report

| Mgr. | Cusip | Ala. Code | Description | Maturity Date | Book Value | Market Value |
|---------|-----------|-----------------------|--------------------------------|------------------|---------------------|---------------------|
| 876823 | 59333AJX0 | 1106 | STATE AND LOCAL OBLIGATIONS | 1-Apr-15 | 602,980.19 | 614,220.00 |
| 876823 | 924214BA6 | 1106 | STATE AND LOCAL OBLIGATIONS | 1-Dec-32 | 346,535.00 | 329,924.00 |
| | | 1106 Total | | | 949,515.19 | 944,144.00 |
| 876800 | S99994220 | 1116 | POOLED FUNDS AND MUTUAL FUNDS | | 4,360,797.71 | 4,360,797.71 |
| 876807 | S99994220 | 1116 | POOLED FUNDS AND MUTUAL FUNDS | | 863,554.90 | 863,554.90 |
| | | 1116 Total | | | 5,224,352.61 | 5,224,352.61 |
| 876823 | 912810FE3 | 1154 | GOVERNMENT BONDS | 15-Aug-28 | 2,874,606.96 | 3,342,414.06 |
| 876823 | 912810PX0 | 1154 | GOVERNMENT BONDS | 15-May-38 | 1,478,170.31 | 1,745,635.16 |
| | | 1154 Total | | | 4,352,777.27 | 5,088,049.22 |
| 876806 | 3128X4BE0 | 1155 | GOVERNMENT AGENCIES | 12-May-20 | 1,475,145.60 | 1,451,021.60 |
| 876806 | 313160AA1 | 1155 | GOVERNMENT AGENCIES | 19-Aug-11 | 618,853.00 | 658,750.00 |
| | | 1155 Total | | | 2,093,998.60 | 2,109,771.60 |
| 876823 | 895787AX7 | 1157 | AUTOMOBILE LOAN RECEIVABLES | 12-Apr-13 | 1,947,400.00 | 1,841,689.35 |
| 876823 | 46632TAA3 | 1157 | MISCELLANEOUS ASSET BACKED | 27-Jul-37 | 453,186.28 | 370,878.03 |
| | | 1157 Total | | | 2,400,586.28 | 2,212,567.38 |
| 876806 | 313586794 | 1159 | PREFERRED STOCK | | 85,120.00 | 1,250.00 |
| 8768210 | 02364W105 | 1159 | UTILITIES - TELECOMMUNICATIONS | | 782,650.08 | 570,216.00 |
| | | 1159 Total | | | 867,770.08 | 571,466.00 |

The asset categorization report should include all assets in the portfolio at the end of each month. The chart above is a sample of the information needed on the report. The assets should be categorized by Alabama Codes. A listing of the Alabama Codes will be provided to the custodian.

Alabama Trust Fund “666” Gains Report

From Date 10/01/2010 to 9/30/2011

| Trade Date | Mgr. | Cusip | Ala. Code | Description | Proceeds of Sale | 666 Cost | 666 Gain/Loss |
|---------------------------|---------|-----------|-----------|------------------------|------------------|------------|----------------------|
| 11/15/2010 | 876823 | 001055102 | 1109 | AFLAC | 93,013.04 | 83,482.77 | 9,530.27 |
| 11/21/2010 | 876823 | 00130H105 | 1109 | AES Corp | 30,144.11 | 26,524.95 | 3,619.16 |
| 12/21/2010 | 876806 | 001547108 | 1109 | AK STEEL HOLD | 5,784.62 | 5,205.79 | 578.83 |
| 12/21/2010 | 8768210 | 00164V103 | 1109 | AMC NETWORK | 52,756.55 | 52,833.53 | -76.98 |
| 1/31/2011 | 876823 | 00206R102 | 1109 | AT+T INC | 566,341.42 | 578,645.75 | -12,304.33 |
| 1/31/2011 | 8768210 | 002824100 | 1109 | ABBOT LABORAT | 251,161.11 | 276,391.89 | -25,230.78 |
| 6/3/2011 | 876823 | 002896207 | 1109 | ABERCROMBIE + FINCH | 15,855.39 | 11,852.26 | 4,003.13 |
| 7/31/2011 | 8768210 | 00724F101 | 1109 | ADOBE SYSTEMS | 73,583.80 | 60,040.40 | 13,543.40 |
| 8/25/2011 | 876823 | 007903107 | 1109 | ADVANCED MIRCO DEVICES | 16,413.94 | 13,978.45 | 2,435.49 |
| 9/26/2011 | 876823 | 00817Y108 | 1109 | AETNA INC | 87,840.87 | 83,640.06 | 4,200.81 |
| 9/26/2011 | 8768210 | 002824100 | 1109 | Abbot Laboratories | 2,010.01 | 1,501.99 | 508.02 |
| <u>Grand Total</u> | | | | | | | <u>807.02</u> |

The customized realized gains and losses report will have to meet the requirements of Alabama’s Constitution. Included below is the definition of “Realized Capital Gains” from Amendment 666 of the Alabama Constitution.

"Realized Capital Gains" means gains from the sale or exchange of assets of the Alabama Trust Fund, other than fixed income assets, to the extent they exceed losses from the sale of such assets. The amount of gain or loss on the sale of an asset shall be determined by subtracting from the proceeds of selling the asset its fair market value as of the end of the immediately preceding fiscal year.”

EXHIBIT G

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2012, with the distribution as of September 30, 2011. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

| | June 30, 2012 | | | | September 30, 2011 | |
|-------------------------------------|------------------------|---------------|------------------------|----------------------|------------------------|---------------|
| | Market Value | Percent | Net New Inv. | Inv. Return | Market Value | Percent |
| Domestic Equity | \$548,760,710 | 24.15% | \$(128,814,744) | \$108,844,645 | \$568,730,809 | 22.90% |
| Large Cap Equity | \$434,004,250 | 19.10% | \$(101,799,081) | \$83,191,310 | \$452,612,020 | 18.23% |
| RSA Equity | 231,793,772 | 10.20% | (51,957,425) | 45,894,509 | 237,856,689 | 9.58% |
| CS McKee, L.P. | 103,217,835 | 4.54% | (19,798,435) | 18,024,363 | 104,991,907 | 4.23% |
| INTECH | 49,805,478 | 2.19% | (11,664,947) | 10,931,755 | 50,538,670 | 2.04% |
| Turner Investment Partners | 49,187,165 | 2.17% | (18,378,273) | 8,340,684 | 59,224,754 | 2.38% |
| Small Cap Equity | \$114,756,461 | 5.05% | \$(27,015,663) | \$25,653,335 | \$116,118,789 | 4.68% |
| Atlanta Capital Management | 67,634,987 | 2.98% | (21,695,272) | 15,413,993 | 73,916,266 | 2.98% |
| Smith Group Asset Mgmt. | 47,121,474 | 2.07% | (5,320,391) | 10,239,342 | 42,202,523 | 1.70% |
| International Equity | \$205,233,641 | 9.03% | \$55,920,361 | \$13,977,914 | \$135,335,365 | 5.45% |
| AllianceBernstein | 116,493 | 0.01% | (47,095) | (15,595) | 179,184 | 0.01% |
| Batterymarch Financial Mgmt. | 46,340,218 | 2.04% | (1,298,407) | 2,796,797 | 44,841,828 | 1.81% |
| GMO Foreign Small Companies | 27,204,784 | 1.20% | 25,000,000 | 2,204,784 | - | - |
| Thornburg Investment Mgmt. | 100,783,070 | 4.44% | 2,265,864 | 8,202,854 | 90,314,353 | 3.64% |
| Wells Fargo Emerging Markets | 30,789,074 | 1.36% | 30,000,000 | 789,074 | - | - |
| Domestic Fixed Income | \$1,425,038,234 | 62.72% | \$(245,146,896) | \$69,207,211 | \$1,600,977,920 | 64.47% |
| Aberdeen Asset Management | 186,178,124 | 8.19% | (6,424,917) | 11,600,223 | 181,002,818 | 7.29% |
| Pyramis Global Advisors | 312,206,207 | 13.74% | (71,356,545) | 16,883,890 | 366,678,862 | 14.77% |
| Regions Bank | 151,747,693 | 6.68% | (4,420,447) | 6,317,921 | 149,850,219 | 6.03% |
| RSA Fixed Income | 349,971,656 | 15.40% | (85,288,678) | 12,185,690 | 423,074,643 | 17.04% |
| Sterne Agee Asset Mgmt | 175,051,080 | 7.71% | (9,054,232) | 6,729,733 | 177,375,579 | 7.14% |
| Tattersall Advisory Group | - | - | (25,943) | 4 | 25,939 | 0.00% |
| Western Asset Management | 249,883,475 | 11.00% | (68,576,134) | 15,489,750 | 302,969,860 | 12.20% |
| Real Estate | \$74,286,845 | 3.27% | \$66,050,000 | \$536,845 | \$7,700,000 | 0.31% |
| Angelo, Gordon & Co. | 8,654,212 | 0.38% | 1,050,000 | (95,788) | 7,700,000 | 0.31% |
| Heitman | 65,632,633 | 2.89% | 65,000,000 | 632,633 | - | - |
| BNYM Cash Flow Account | \$14,173,959 | 0.62% | \$13,991,097 | \$4,431 | \$178,431 | 0.01% |
| Total Fund - Invested Assets | \$2,267,493,389 | 99.8% | \$(238,000,181) | \$192,571,045 | \$2,312,922,525 | 93.1% |
| Cash | \$4,399,305 | 0.19% | \$(166,026,000) | \$3,139 | \$170,422,165 | 6.86% |
| Total Fund | \$2,271,892,694 | 100.0% | \$(404,026,181) | \$192,574,185 | \$2,483,344,691 | 100.0% |

EXHIBIT H

**CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA
TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535, as amended by Act
2012-491)**

RE Contract/Grant/Incentive (*describe by number or subject*):

_____ **by and**
between _____
(Contractor/Grantee) and _____ **(State Agency or**
Department or other Public Entity)

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of _____ with the Contractor/Grantee named above, is authorized to provide the representations that are set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".

2. Applying the following definitions from the Section 3 of the Act, the Contractor/Grantee business structure is as indicated by my initials.

BUSINESS ENTITY. Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license, and any business entity that is operating unlawfully without a business license.

EMPLOYER. Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

- _____ a. The Contractor/Grantee is a business entity or employer as those terms are defined in Section 3 of the Act.
- _____ b. The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien, as that term is defined in Section 3 of the Act, within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.

{Alien is any person who is not a citizen or national of the United States, as described in 8 U.S.C. § 1101, et seq., and any amendments thereto.}

{Unauthorized Alien is an alien who is not authorized to work in the United States as defined in 8 U.S.C. § 1324a(h)(3).}

4. Contractor/Grantee is enrolled in E-Verify unless *{initial the following selections which apply}*:

- _____ (a) it is not eligible to enroll because of the rules of that program or other factors beyond its control.

_____(b) it is excused from the requirement of enrollment in E-Verify because it does not have an employee in
the State of _____ Alabama.
Certified this _____ day of _____ 20____.

Name of Contractor/Grantee/Recipient

By:

Its

The above Certification was signed in my presence by the person whose name appears above, on this _____ day of
_____ 20_____.

WITNESS _____

Print Name of Witness

